COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT LEGISLATIVE RESEARCH COMMISSION 2022 REGULAR SESSION

MEASURE

2022 BR NUMBER <u>156</u>

HOUSE BILL NUMBER 259

TITLE AN ACT relating to Kentucky State Police salaries.

SPONSOR Representative Scott Lewis

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN
OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ☐ ACTUARIAL ANALYSIS ☐ LOCAL MANDATE ☐ CORRECTIONS IMPACT ☐ HEALTH BENEFIT MANDAT
APPROPRIATION UNIT(S) IMPACTED: Kentucky State Police
FUND(S) IMPACTED: ☐ GENERAL ☐ ROAD ☐ FEDERAL ☐ RESTRICTED

FISCAL ESTIMATES	2021-2022	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$30,700,000	\$40,100,000	Indeterminable
NET EFFECT		(\$30,700,000)	(\$40,100,100)	Indeterminable

^() indicates a decrease/negative

<u>PURPOSE OF MEASURE</u>: The purpose of this measure is to increase the base salary schedule prescribed in KRS 16.052 for all trooper ranks, including cadet troopers, within the Kentucky State Police. The measure also sets the date for annual salary adjustments based on the Consumer Price Index to begin July 1, 2023.

FISCAL EXPLANATION: The base salary schedule adjustments increase cadet troopers to \$45,000, increase ranks below sergeant by \$15,000, and increase ranks sergeant and above by 10% based on years of service. For example, the new salary for a rank of sergeant with 6 years of service (\$68,991) reflects a 10% increase relative to the new salary for a rank of senior trooper (\$62,719) with an equivalent 6 years of service.

In addition to the base salary increases, assumptions used in calculating costs to determine fiscal impact include:

- The actuarially determined contribution rate for the State Police Retirement System as adopted by the Kentucky Retirement System in December 2021. This rate is 140.51% and is applied as a percentage of pay in fiscal years 2023 and 2024.
- The percent change in the annual average of the nonseasonally adjusted Consumer Price Index (CPI) for all urban consumers, U.S. city average, all items, published by the United

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States Department of Labor, Bureau of Labor Statistics for the two most recent calendar years. This percent change is 4.7% and applies to only fiscal year 2024.

Future impacts are indeterminable at this time and will vary based on the number of state troopers employed and the rate of inflation as measured by the Consumer Price Index defined in the statute.

DATA SOURCE(S): <u>LRC Staff; Kentucky State Police</u>

PREPARER: Perry Papka NOTE NUMBER: 23 REVIEW: JAB DATE: 1/19/2022

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